

2001-03 Revised Omnibus Operating Budget (2003 Supp)**WA State Health Care Authority**

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	310.4	6,655	722,545
2003 Maintenance Changes:			
1. Technical Correction	0.0	0	0
Total Maintenance Changes	0.0	0	0
2003 Policy Changes:			
2. Defer Basic Health Expansion	-21.8	0	-28,556
3. Increased Income Verification	5.3	0	288
4. Basic Health Enrollment Management	-5.3	0	-27,524
5. Transfer for Insurance Sys. Project	0.0	0	-2,200
6. 2003 Supplemental FTE Reduction	-8.9	0	-140
Total Policy Changes	-30.7	0	-58,132
2001-03 Revised Appropriations	279.7	6,655	664,413
Difference from 2001-03 Appropriations	-30.7	0	-58,132
% Change from 2001-03 Appropriations	-9.7%	0.0%	-8.0%

Comments:

1. Technical Correction - Funding incorrectly allocated to the Uniform Dental Plan Benefits Administration Account in the 2002 Supplemental Budget is re-allocated to the State Health Care Authority Administrative Account.

2. Defer Basic Health Expansion - In the 2002 supplemental budget, increased tax revenues generated by Initiative 773 were to be used to expand Basic Health Plan (BHP) enrollments to a total of 172,000 persons per month by June 2003. This item represents the difference in cost between the increase to 172,000 enrollments funded in the 2002 supplemental budget, and the estimated December 2002 BHP enrollment level of 140,575. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account-Non-Appropriated)

3. Increased Income Verification - Additional funding and staff are assigned to verifying the eligibility of BHP enrollees for membership and subsidy levels. This additional staffing level is offset by a staff reduction in enrollment, permitted by the management of BHP enrollment that limits admission solely to children and limited groups of adults with dependents. In combination with prior efforts to improve enrollee eligibility verification, some additional enrollees are expected to be found ineligible through these efforts. (Health Services Account -State, General Fund-Federal)

4. Basic Health Enrollment Management - As directed by the Governor, the Health Care Authority has been limiting new admissions to the Basic Health Plan since December 2002. This item represents the additional premium subsidy and administrative savings which will occur as a result of only enrolling children, and limited groups of adults with dependents. As a result of this managed enrollment policy, subsidized enrollment is expected to total about 120,777 in June 2003. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account-Non-Appropriated)

5. Transfer for Insurance Sys. Project - The Health Care Authority is replacing a computer system that handles accounting for public employee and Basic Health Plan benefits. The project was originally scheduled for completion by June 30, 2003, but completion is now not expected until September 30, 2003. Because final payments will not be made until testing and acceptance of the completed system, \$2.2 million of appropriation authority for the project is shifted from the 2001-2003 biennium to the 2003-2005 biennium. (HCA Administrative-State, Health Services-State)

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6. 2003 Supplemental FTE Reduction - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.